

## WOULD TAX BEER FOR SOLDIER BONUS

Washington, Dec. 21.—Feasibility of raising funds for a soldier bonus by a tax on beer and light wine will be considered by the house ways and means committee, Chairman Fordney announced today, after the Christmas recess when the committee takes up the adjusted compensation question, particularly the phase relating to the raising of revenue to finance it.

The possibility of a tax on beverages with small alcoholic contents will be looked into, Mr. Fordney said, to determine whether it would be advisable and constitutional, to lift the prohibition ban sufficiently to permit their sale.

Mr. Fordney conferred today with Secretary Mellon, but said later the bonus question had not been discussed. Other suggestions put forth by the members of the house for financing a bonus include a variety of sales tax on different commodities and different business men.

In an address in the house of representatives A. P. Nelson, republican, Wisconsin, commenting on the proposed payment of a bonus by a tax on light wine and beer declared former service

men would not look with favor on any plan to raise revenue "in an outlaw traffic in order to meet their legitimate demands for adjusted compensation."

Declaring there were plenty of sources of revenue open for actual needs without trying to legalize what the constitution prohibits, Mr. Nelson asserted that "to attempt to tie the veterans of our country's battles to the dead body of the liquor traffic is an outrage."

### REPRESENTATIVE OLDFIELD FAVORS A PROTECTIVE TARIFF

Washington, Dec. 21.—Replying to Chairman Fordney of the ways and means committee who earlier in the day had denounced importers for their opposition to the American valuation plan as incorporated in the tariff bill pending in the senate, Representative Oldfield, democrat, Arkansas, member of the committee declared today in the house that the proposed import duty on hundreds of articles under the American valuation plan would be prohibitive.

"The American people," Mr. Oldfield

said, "do not want a prohibitive tariff; no one does except those who would be especially benefited. I had not thought until recently that the republicans would be so foolish as to place the American valuation plan in our tariff law."

Mr. Oldfield's remarks precipitated a lively debate with Mr. Fordney, Representative Mann, republican, Illinois; Trencher, republican, Kansas; and others participating.

Mr. Mann said he had never been able to understand the American valuation plan and even on the floor of house had "never heard anyone, including the gentleman from Michigan (Mr. Fordney), who did."

Commenting on the enormous profits which Mr. Fordney said had been made on knives imported from Germany, Mr. Trencher said that "if necessary to protect American labor, manufacturers and consumers from profiteers in this country," he favored a duty of one thousand per cent on some commodities.

"Let there be a few more statements

before the ways and means committee, because the chairman goes at them red-eyed and abuses them as if they were not human beings."

### WOULD REDUCE FREIGHT RATES ON HORIZONTAL BASIS

The Manufacturers' Association of Connecticut, through its board of directors and traffic committee, have declared for an early reduction of freight rates on a horizontal basis, rather than reductions applicable in varying percentages to certain commodities only.

This matter is now before the interstate commerce commission, which is holding hearings on the subject in Washington. The representatives of the railroads were heard during the present month, and representatives of shippers will present their views in January.

Many of the carriers have announced their opposition to a flat reduction in rates, preferring to reduce only rates on certain commodities. The manufacturers on the other hand point out that rates were increased on a horizontal basis, and should come down in the same manner. This is particularly important to Connecticut industry, as almost all of its products move under class instead of commodity rates. The resolution adopted by the directors of the Manufacturers' Association is as follows:

"That in the revision of railroad freight rates now under consideration by the interstate commerce commission, the Manufacturers' Association of Connecticut favors a horizontal reduction of rates, applied to all classes alike, in such amount as will insure a fair return to the carriers and will stimulate commerce and industry."

That the president of the association is authorized to present this view to the interstate commerce commission in such manner as he may deem most advisable and effective; and

That the president is further authorized to invite the co-operation of other industrial and commercial organizations in advocating a reduction of railroad freight rates on a horizontal as distinguished from a commodity basis.

This action is in harmony with the views of the National Industrial Traffic League, the New England Traffic League and other organizations interested in the shippers' standpoint.

The Manufacturers' Association has also, upon recommendation of its traffic committee, moved to secure more favorable rates on coal to Connecticut. It has asked the interstate commerce commission, when it takes up the question of coal rates, to remove the discrimination against Connecticut that exist in the present rates. Territory in the middle west, in which Connecticut industries have competition, is receiving its coal on rates more favorable than coal moved an equal distance from the mines to Connecticut and other New England points.

### CANEY DOUBLE-CROSSED FALL RIVER POLICE

While Canedy, colored evidence getter used by the Norwich police some months ago in local liquor raids and who after his campaign here followed up the occupation in numerous other cities, has at last double-crossed the state authorities. While serving in the Fall River, Mass., recently, Canedy admitted on the witness stand that he was receiving \$10 for every case he brought to the attention of the police. Canedy later departed and the police have since been endeavoring to locate him.

### HARWOOD QUALIFIES AS IRON WORKS TRUSTEE

P. LeRoy Harwood of New London on Wednesday qualified as a trustee of the bankrupt estate of the Groton Iron Works by filing a \$10,000 bond with the Federal Bankruptcy Court at Groton, Conn. Mr. Harwood was appointed trustee of the Groton Iron Works by the bankruptcy court at Groton, Conn. Mr. Harwood was appointed trustee of the Groton Iron Works by the bankruptcy court at Groton, Conn. Mr. Harwood was appointed trustee of the Groton Iron Works by the bankruptcy court at Groton, Conn.

### TESTIMONY COMPLETED IN DORSEY CLAIM HEARING

The fourth and final session of the commission, Nathan Belcher and Thomas E. Troland, sitting to hear the claim made by Thomas F. Dorsey amounting to \$3,477 against the estate of the late James O'Neill, occurred Wednesday morning in New London, and counsel for Mr. Dorsey and for Mrs. Ella O'Neill, administratrix of the estate, agreed to submit briefs with the commissioners' instant of making arguments.

The morning's session was occupied with testimony by James H. O'Neill, a son of the late actor, Thomas F. Dorsey, Jr., son of the petitioner, and some further testimony by Mrs. Ella O'Neill.

The son, James, declared that he heard his father say that he was "making Tom a present of \$300 commission on the sale of the property to the Scott Investment Co." and said that his father told Dorsey that as far as the actual sale was concerned Dorsey had nothing to do with it.

"Dorsey accepted the check with thanks," said Mr. O'Neill.

He stated that he had heard his father say repeatedly that there was an agreement that Dorsey should receive two per cent commission only because he had a monopoly on handling the realty owned by Mr. O'Neill.

Mr. O'Neill said he was present when Dorsey complained that his father gave him but 2 per cent, and he said his father said to Dorsey: "You know, Tom, that you get better than 3 per cent out of me in commissions and borrowed money, etc."

"Dorsey seldom came to the house but what he got money from my father. He used to hand him a \$5 bill or a \$10 bill frequently," said the witness.

As to the purchase of the Main street property, which was bought before Mr. O'Neill had seen it, witness said that Dorsey told Mr. O'Neill it was a bargain. Witness said that his father said to Dorsey: "I don't think it is such a wonderful buy" and Dorsey told him he could sell it right away for a profit of \$1,000. "If you can make a profit of \$1,000 on it within 24 hours I will give you half the profit," said the older O'Neill.

The property has not yet been sold. Witness declared that he transacted a great deal of his father's business, wrote checks for him, etc., but he could find only one check out of the 40 to 50 exhibited which was in his handwriting. This was a check for \$244.60 and was written at his father's direction while ill in the Prince George hotel in New York.

As to the check for \$350, Mr. O'Neill declared that this was a loan to Dorsey. On cross examination, Mr. O'Neill said he didn't know for what reason the check for \$350.60 was given Dorsey. Attorney Burrows for Mr. Dorsey asked the Scotts, his father said to him: "Get out of here; you have no part in this transaction. You don't know anything except what I tell you." Witness replied, "He might have said that, but he didn't."

He said his father had great admiration for Dorsey as a real estate agent. "He made a lot of money for my father, didn't he?" asked Mr. Burrows. "No, he sold my father a lot of 'dead ones,'" replied Mr. O'Neill.

"You do not like Dorsey, do you?" asked Mr. Burrows. "Not since he has treated my mother this way," said Mr. O'Neill.

"Did Dorsey loan you money that Mr. O'Neill loaned him?" asked Mr. Burrows. "No," said the witness.

"Do you now owe Dorsey any money?" asked Mr. Burrows. "Not a cent," declared the witness.

Mrs. O'Neill was recalled to tell about the check for \$350.60. She said that this check, dated March 26, 1920, was in full payment of all due Mr. Dorsey up to that date.

A letter written by Mrs. O'Neill at Mr. O'Neill's request directed to Carlos Burrows, cashier of the Union Bank & Trust Co., was laid in evidence. This contained instructions to Mr. Dorsey to refuse to allow Mr. Dorsey to have any further access to Mr. O'Neill's private box at the bank containing securities, etc.

Thomas F. Dorsey, Jr., testified that he was at Mr. O'Neill's house during a part of the transaction when the Pequot avenue house was sold to Thomas A. Scott. He said that he had secured a customer in a Mr. Pomerantz who was willing to give a little less than Mr. Scott paid for it. Mr. O'Neill said that he had known Mr. Scott for a long time and he was his neighbor and he would rather have him have the property than anyone else. Mr. Pomerantz had suggested that he would make a summer resort out of the O'Neill property if he sold it.

## Don't Forget the Christmas GIFT SALE

STORE OPEN EVERY EVENING THIS WEEK

Every item is priced so many yards for the \$, which means a saving of 15 to 25 % to you.

In addition to the many values too numerous to mention, just received a very choice lot of Percales in the much wanted small figures and other beautiful patterns, 19c a yard, 6 yards for \$1.00.

A limited lot of all linen English Brown Crash, 39c value our price 29c a yard, 4 yards for \$1.00.

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changed it and this was objectionable to Mr. Scott.

Mr. Dorsey, Jr., said that Mr. O'Neill told his father that he would give him \$500 to have the Main street property in his own name instead of having it owned jointly by himself and Dorsey.

Mr. Dorsey was not cross examined.

### CHANGES IN LAW RELATING TO INVENTORIES

"Merchants, manufacturers and business men generally need experience in difficulty in taking their inventories for the year 1921 to conform with the new revenue act. The language of the revenue act of 1918 and the revenue act of 1921, (S. C. 293), relating to inventories are identical.

"That whenever in the opinion of the commissioner the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the commissioner, with the approval of the secretary, may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income."

"Present treasury regulations provide that inventories must be valued at either 'cost or cost or market, whichever is lower.' Taxpayers were permitted, regardless of their past practice, to adopt the 'cost or market basis, whichever is lower' in taking their inventories for 1920. Thereafter, the regulations provide, changes can be made only after permission is obtained from the commissioner of internal revenue.

"In the case of a merchant 'cost' means the invoice price less trade or other discounts, excepting strictly cash discounts approximating a fair rate of interest, which may be deducted or not at the option of the taxpayer, providing a consistent course is followed. To the net invoice price should be added the cost of transportation and other necessary charges incurred in acquiring possession of the goods.

"In the case of a manufacturer 'cost' means the cost of raw materials and supplies, expenditures for labor and indirect costs incident to production, including a reasonable proportion of management expenses, but not including any cost of selling or securing return on capital.

"Market' means the current bid price prevailing at the date of the inventory for the particular merchandise. The burden of proof as to the correctness of the price rests upon the taxpayer in each case. Where no open market quotations are available, the taxpayer must use such evidence of a fair market price at the dates nearest the inventory as may be available, such as specific transactions or compensation paid to reconciliation of contracts or purchase commitments. Where, because of abnormal conditions the taxpayer has regularly sold merchandise at prices lower than

the market bid price, the inventory may be valued at such prices. The correctness of such prices will be determined by reference to the actual sales of the taxpayer for a reasonable period before and after the date of inventory. Prices which vary materially from the actual prices so ascertained will not be accepted as reflecting the market.

"The value of each item in the inventory may be measured by cost or market, whichever is lower. An entire stock may not be inventoried at cost and also at market price, and the lower of the two inventories used. Inventories on whatever basis taken will be subject to investigation by the commissioner of internal revenue, and the taxpayer must satisfy the commissioner of the correctness of the prices adopted. He must be prepared to show both the cost and the market price of each article included in the inventory.

"In the conduct of modern business, it is of the utmost importance that every business, large or small, whether corporation, partnership or individual, shall maintain an exact record of receipts and expenses. No special system of accounts is prescribed by the bureau of internal revenue, but the books should show in detail inventories, purchases, sales, capital investments, depreciation, and such other items required in making up income tax returns."

### LAKE ENDORSES PLAN OF NATIONAL BUDGET BUREAU

In a statement made public Wednesday, Governor Everett J. Lake endorses the efforts of the national budget committee, a non-partisan organization of taxpayers, to arouse public opinion in favor of the program of national economy and efficiency and the support of Gen. Charles G. Dawes.

The governor approves the plan of a "budget guard" which is exhibited as an army of taxpayers by the national budget committee.

Governor Lake states: "I most assuredly wish to add my approval to the budget bureau for the federal government, and extend my hearty congratulations on the success attending the work already done by General Dawes and his assistants.

"I believe that this success is only a forerunner of far greater beneficial results. My experience has taught me that by far the most effective means of securing economies in public expenditures is the intelligent fulfillment of the monies which the various public departments and public institutions are given to spend.

Governor Lake is one of 23 state executives who are honorary state chairmen of the national budget committee. Mayors of 24 cities, including my own city, are among them being Hon. C. P. Crosby, Greenwich and Hon. John C. Mead, Ansonia.

### GRIPPO DRAWS FINE AND JAIL SENTENCE

Antone Grippo of New London was convicted of violation of the liquor law by a jury in the criminal court of common pleas in New London Wednesday morning and was fined \$200 and costs and sentenced to 10 days in jail.

Grippo was accused of keeping intoxicating liquor for sale at his place in Truman street, where he was arrested on Sept. 24.

Grippo was placed on trial Tuesday afternoon and the testimony and arguments had been completed when court adjourned for the day at 5 o'clock. Judge Charles E. Waller charged the jury Wednesday morning, occupying about 20 minutes, and at 10:25 the jury retired, returning with the verdict at 10:55 after a half hour's deliberation.

Prosecuting Attorney Charles B. Whitley moved for a sentence immediately and Attorney George C. Morgan, representing the accused, made a brief plea for leniency and asking that the court not to give a severe sentence because the accused had stood on his constitutional right for a trial.

### MORRIS BANK TO PAY 75 PER CENT DIVIDEND

At a meeting of directors of the New London Morris bank, now in process of liquidation, held in New London Wednesday morning, it was voted to declare a distribution dividend of 75 cents on the dollar to stockholders of record. The bank was capitalized at \$15,000. It was voted some time ago to go out of business.

The vote declaring a distribution of 75 cents on the dollar is a partial return to stockholders of their investment.

Senator McLean Introduces Bill. Senator George P. McLean of Connecticut introduced the following petitions in the United States senate Tuesday:

Petition of two thousand Americans of Lithuanian birth and descent of Waterbury, Conn., protesting against alleged inhuman barbaric acts of Poles in Vilna and the support of the Poles by the French republic.

Petitions of members of officer Sherman Chapter, Daughters of the American Revolution, of New Milford and members of Mary Clay Wood Chapter, Daughters of the American Revolution, of New Haven, Conn., favoring the enactment of senate bill No. 1957, proposing to make Yorktown, Virginia, a military national park.

Petition of members of the chamber of commerce, of Waterbury and members of the Derby Business Men's Association, Incorporated, of Derby, Conn., favoring the enactment of the Fordney tariff based on the American valuation plan.

Petition of members of the Women's Christian Temperance Union of Stafford Springs, Conn., favoring the enactment of the Sterling-Leibach reclassification bill.

Investigating committees cannot harm honest men.

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SILK STOCKINGS FOR LADIES..... \$1.25 TO \$4.85  
DAINTY CAMISOLES ..... \$1.00 TO \$2.98  
FANCY NECKWEAR, IN COLLARS, BRAMLEY SETS  
AND VESTS.

DAINTY MUSLIN GOWNS..... \$1.00 TO \$4.50  
WHITE SKIRTS ..... \$1.25 TO \$4.98  
BLOOMERS ..... 98c TO \$2.98  
MUSLIN CAMISOLES ..... 75c TO \$2.00

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A COMPLETE LINE OF FANCY ROUND APRONS —  
ALSO BAND APRONS AND BIB APRONS.

FULL LINE OF GINGHAMS AND PERCALE BAND  
APRONS—AND GOOD ASSORTMENT OF MIDDIES  
FOR THE GIRLS, SIZES 8 TO 18 YEARS — PRICES  
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BOYS' ALL-WOOL SOCKS, each..... \$1.50  
These are a special—Actual value \$2.50

### WHITE DRESSES

A Dainty White Dress for the Children

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2 TO 10 YEARS—\$1.00 EACH